

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION CONFERENCE COMMITTEE ON HOUSE BILL 572

Call to Order: By **CHAIRMAN WILLIAM CRISMORE**, on April 11, 2001
at 8:45 A.M., in Room 137 Capitol.

ROLL CALL

Members Present: Sen. William Crismore, Chair
Sen. Debbie Shea
Rep. Bob Story, Vice Chair
Rep. Gary Matthews
Rep. Alan Olson

Members Excused: Sen. Lorents Grosfield

Members Absent: None.

Staff Present: Larry Mitchell, Legislative Branch
Jan Brown, Secretary

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 572, 4/10/2001
Executive Action: HB 572

CONFERENCE COMMITTEE ON HB 572

{Tape : 1; Side : A; Approx. Time Counter : 0.3 - 2.8}

CHAIRMAN CRISMORE called the meeting to order and asked **Larry Mitchell** to explain the amendments.

Mr. Mitchell said they needed to fix the coordination instruction on the orange bill, HB 572, on the back page, page 12. The coordination instruction actually begins on the previous page, where it says if HB 642, the white bill which he had distributed to the committee, and HB 572 are both passed and approved, and they both amend Section 15-36-924, 9 through 11, then those amendments in the white bill are void. The problem is, this bill changes that section in two places, one that's effective

immediately and one that's effective after the RIT trust hits \$100 million. The way this is written, both of those sections are changed in this bill. The intent was only to change the one that becomes after \$100 million is hit, which is what this bill does. After the RIT hits \$100 million, it proposes to take \$400,000 of the proceeds to go to coal bed methane, then split the remainder 50/50. This bill didn't do that. It just split the proceeds 50/50. So, if you want to put \$400,000 into coal bed methane after it hits \$100 million, then this bill trumps. But the way it's written now, it wiped out the active section of this bill that happens right now, prior to hitting \$100 million. So that's basically what the amendments do. You can look at sections 2 and 3 of this white bill, which are the same sections. Section 3 is the one that needs to be coordinated with HB 572, and that's what amendments 3 and 4 do. It changes the effect of the coordination instruction in the orange bill to say that only section 3 is invalid, after we hit \$100 million. Amendments 1 and 2 are just technical amendments to update some dates in that section that are in the white bill that weren't in the orange bill.

{Tape : 1; Side : A; Approx. Time Counter : 2.8 - 9.2}

Motion: Rep. Story moved that amendments numbered HB057205.alm do pass.

Discussion: Rep. Story said that the whole purpose of HB 642 was that the Bureau of Mines had always been getting \$300,000 a year out of the RIT, and somebody finally read the law and interpreted it to say that the law required them to get \$600,000, so HB 642 clarified that section of the law so they'd still only get the \$300,000, up until it hit the cap in the trust account. That's what Larry's amendment does; it leaves that first section in place for the next year. It leaves up to \$300,000 going into the grants and loan program and the orphan share.

Sen. Shea asked **Mr. Mitchell** if it was the same problem she'd had with her bill when she was originally asking for \$300,000 from the RIT money, and when it came back, she was getting \$600,000.

Mr. Mitchell said that is correct. In the white copy of HB 642, page 4, at the top of the page in subsection (c), 8.62 percent of the taxes described above is to be distributed as provided in 15-38-106(2). If you look down through the bill, what was provided in that section has been stricken everywhere, and that is the problem they're trying to correct. What that section says is, you distribute these taxes in this fashion, and the Department of Revenue discovered recently that a literal reading of this makes it appear that we're double paying a few of these distributions this way. We're paying with the RIT and then we're paying with

the oil and gas taxes as well. So that's why these corrections were required this session.

Rep. Story asked **Mr. Mitchell** if the committee can adopt the first two amendments since this is a conference committee rather than a free conference committee. Discussion was held on this.

Chairman Crismore said the committee could act on the amendments and then have the conference committee changed on the House and Senate floors to a free conference committee. **Rep. Story** asked if HB 642 would change the numbers anyway. **Mr. Mitchell** said HB 642 does change those numbers. That is an oversight that was intended to be changed in 1999. Throughout this section on oil and gas distribution, all those dates were changed to 1999 instead of 1995. This one was missed. If section 3 is stricken, it goes back to 1995 without these changes, so it is arguable that it is just a technical cleanup in the first place. He doesn't know the answer to conference committee versus free conference committee.

Rep. Story asked again if HB 642 changed the numbers in that section anyway so it didn't make any difference. **Mr. Mitchell** said that HB 642 does change that, but when we hit \$100 million, we would revert back to the language here, and it wasn't changed in this bill. So we'd have it 1999 till we hit \$100 million, then when this trumps and the coordination clause takes effect, we'll revert back to the 1995 and have the same problem in the year 2003.

Chairman Crismore said he would request on the floor today that **this conference committee be dissolved and a free conference committee be appointed, and the committee report would be held until that occurs.** The committee agreed to this. (*Secretary's note: this action was taken, and the report was issued as a free conference committee report.*)

{Tape : 1; Side : A; Approx. Time Counter : 9.2 - 9.9}

Motion/Vote: Rep. Story moved that amendments numbered HB057205.alm do pass. Motion carried 5-0.

Motion/Vote: Rep. Story moved that HB 572 do pass as amended. Motion carried 5-0.

ADJOURNMENT

Adjournment: 8:55 A.M.

SEN. WILLIAM CRISMORE, Chairman

Jan Brown, Secretary

WC/JB

EXHIBIT (cch82hb0572aad)